

NATIONAL DAIRY MARKET AT A GLANCE

At the Chicago Mercantile Exchange (CME), Grade AA butter increased 5 cents to \$1.4100; Grade A is up 6 1/2 cents to \$1.3250; and Grade B increased 8 cents to \$1.3200. Also at the CME, barrel cheese increased 1/4 cent to \$1.4225 and 40# blocks are unchanged at \$1.4300.

The "basic formula price (BFP) used in Federal Orders" for January 1998 is \$13.25 per cwt. at 3.5% test. The BFP is the base month M/W price of \$13.27 minus a change of \$.02, which is the change in the butter/powder/cheese formula from December 1997 to January 1998. For January, the NASS average cheese price was \$1.4165. The butterfat differential is \$0.114. The January 1998 basic formula price is 4 cents less than last month but \$1.31 more than January 1997. Class III-A prices are: for Federal Orders 1 & 2, \$12.07; for Order 4, \$12.09; for Orders 124, 131, & 135, \$11.91; for other affected orders, \$12.04.

According to NASS, butter production was 116.3 million pounds in December, 4.5% above December 1996 and 31.1% above November 1997. American type cheese production totaled 277.2 million pounds, 1.1% below December 1996 but 10.2% above November 1997. Total cheese output (excluding cottage cheese) was 629.2 million pounds, 0.9% above December 1996 and 4.5% above November 1997. Nonfat dry milk production, for human food, totaled 101.7 million pounds, 0.1% above December 1996 and 36.2% above November 1997. Dry whey production, for human food, was 98.0 million pounds, 16.9% above December 1996 and 17.0% above November 1997.

Also according to NASS, the index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in January 1998 was unchanged at 116. Compared with January 1997, the index was unchanged. The index of prices received by farmers for dairy products was unchanged during the month of January 1998 at 112. Compared with January 1997, the index was up 9 points (8.7%). On a 3.5% butterfat basis, prices received by farmers in January with

changes from December were: for All Milk, \$14.27, up 4 cents; for Fluid Grade Milk, \$14.37, up 4 cents; and for Manufacturing Grade Milk, \$13.04, up 8 cents.

The dry, dairy product markets are generally unchanged. The weakness in the NDM market continues and prices are unchanged. The dry whey market is weak, but some contacts feel that prices may be nearing the bottom of this particular price cycle. Demand for dry whey is seldom better than fair. The dry buttermilk market is mixed. It is showing some strength in the West and Central regions, but steady in the East.

Milk production is increasing in most parts of the country, but the weather is having an impact on the milk flow in several areas. Heavy rains in parts of the West are leaving wet, muddy lots which could adversely impact milk output and quality as well as animal health. Heavy rains and snow hit much of the Southeast and Middle Atlantic areas and electrical power has been lost in many locales. Bottled milk sales are slow to good.

During the week of February 2 - 6, CCC had net purchases of 3,803,756 pounds of Western NDM under the price support program.

**CORRECTION:** In last week's mailed report, the National Dairy Market at a Glance incorrectly stated the Grade A butter price. The report should have stated that Grade A butter increased 2 cents to \$1.2600.

\*\*\*\*SPECIAL THIS ISSUE\*\*\*\*

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BUTTER MARKETSCHICAGO WHOLESALE

Dollars per pound, trucklot, bulk in fiber boxes, delivered metropolitan area, prices include CCC purchase price whenever bulk butter is moving to CCC from the Midwest area.

GRADE	FEBRUARY 3	FEBRUARY 5	FEBRUARY 6
AA	\$1.3600 - 1.3700 : (.0200) (.0200)	\$1.3600 - 1.3700 :	\$1.3600 - 1.3700 :
A	\$1.2600 - 1.2700 : (.0200) (.0200)	\$1.2600 - 1.2700 :	\$1.2600 - 1.2700 :

( ) Change from previous price.

**BUTTER HIGHLIGHTS:** In cash trading at the Chicago Mercantile Exchange, all grades of bulk butter are higher. The market tone, though firm, is unsettled. Churning schedules continue to be quite active. Higher cream prices are adversely affecting fluid cream sales which may force more excess cream to churns. Butter buying interest is centering around short term needs; although some buyers, even though concerned about current prices, continue to build bulk butter inventories for future use.

CHICAGO MERCANTILE EXCHANGEBUTTER TRANSACTIONS ON FRIDAY, FEBRUARY 6, 1998

(CARLOT UNIT = 40,000 - 42,000 LBS.)

GRADE	PRICE CHANGE	LAST SIGNIFICANT TRANSACTION - LST
AA	+ .0500	\$1.4100 : OFFER 02/06/98
A	+ .0650	\$1.3250 : SALE 02/06/98
B	+ .0800	\$1.3200 : BID 02/06/98

SALES: 20 CARS GRADE AA: 5 @ \$1.4100, 8 @ \$1.4200,  
2 @ \$1.4250, 1 @ \$1.4325, 1 @ \$1.4350, 1 @ \$1.4275, 2 @ \$1.4225  
1 CAR GRADE A @ \$1.3250 (LST)

BIDS UNFILLED: 4 CARS GRADE AA:  
1 @ \$1.3000, 1 @ \$1.3600, 1 @ \$1.3800, 1 @ \$1.3850  
6 CARS GRADE A: 1 @ \$1.2000, 1 @ \$1.2500,  
1 @ \$1.2800, 1 @ \$1.2900, 1 @ \$1.3000, 1 @ \$1.3250  
1 CAR GRADE B @ \$1.3200 (LST)

OFFERS UNCOVERED: 8 CARS GRADE AA:  
5 @ \$1.4500, 1 @ \$1.4200, 1 @ \$1.4150, 1 @ \$1.4100 (LST)

CHEESE MARKETSWISCONSIN ASSEMBLY POINTS

Dollars per pound, standard moisture basis (37.8-39.0%), carlot/trucklot, F.O.B. plants or storage centers, prices include CCC purchase price whenever cheese is moving to CCC from the Midwest area.

CHEDDAR STYLES	FEBRUARY 2 - 6, 1998
BARRELS*	\$1.4200 - 1.4450 (NOMINAL) : (.0200) (.0200)
40# BLOCKS	\$1.4400 - 1.4600 (NOMINAL) : (.0100)

( ) Change from previous week. \* If steel, barrel returned.

**CHEESE HIGHLIGHTS:** The cheese market is firm on barrels, steady on blocks. At the Chicago Mercantile Exchange, 40# blocks were unchanged at \$1.4300 and barrels increased .25 cent to \$1.4225 in very light activity. Barrels remain tight to short of needs. Some processors have been unable to secure desired barrel volumes. Natural interest is mixed, from fair to good. Natural offerings are generally adequate. Milk and cheese production continue to trend seasonally higher.

CHEESE TRANSACTIONS ON THURSDAY, FEBRUARY 5, 1998

(CARLOAD UNIT = 40,000-44,000 LBS.)

CHEDDAR STYLES	PRICE CHANGE	LAST SIGNIFICANT TRANSACTION
BARRELS	+ .0025	\$1.4225 : BID 02/05/98
40# BLOCKS	N.C.	\$1.4300 : OFFER 02/05/98

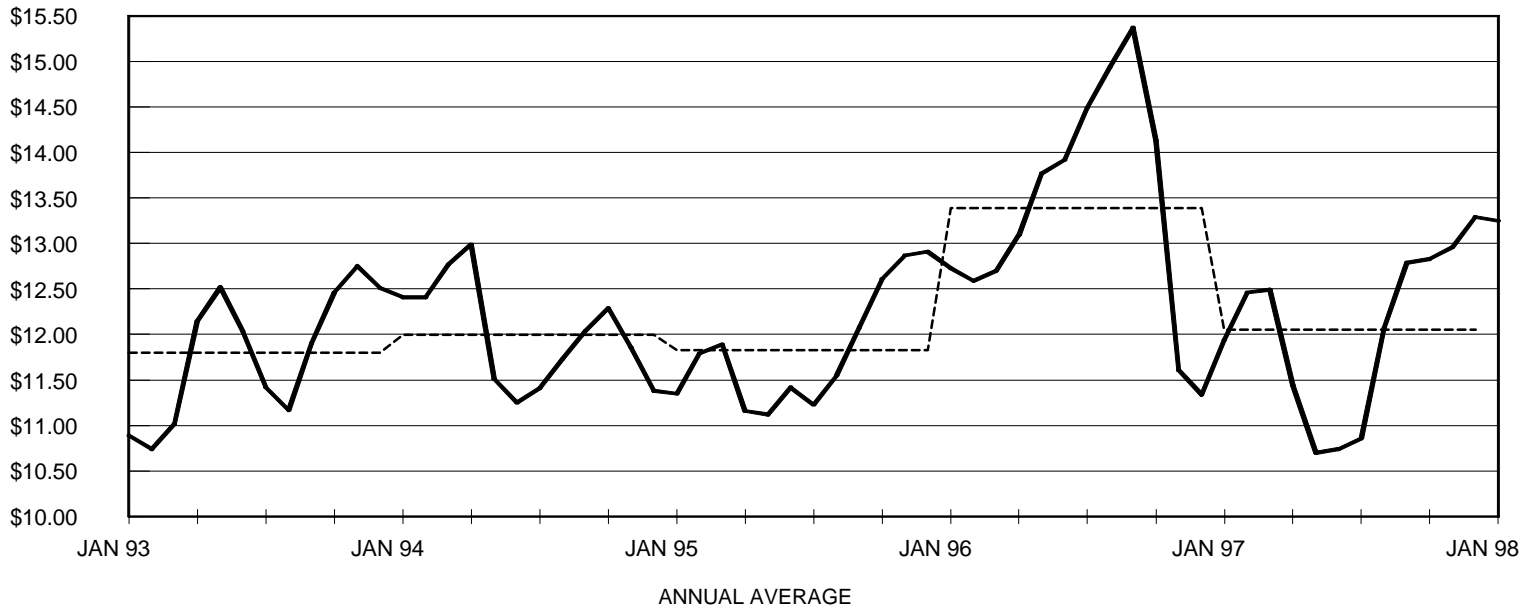
SALES: NONE

BIDS UNFILLED: 6 CARS BARRELS:  
3 @ \$1.4200, 3 @ \$1.4225 (LST)

OFFERS UNCOVERED: 1 CAR 40# BLOCKS @ \$1.4300

## MW/BFP PRICE AT 3.5% TEST

PER CWT.



## PRINT BUTTER MARKETS - GRADE AA

## NORTHEAST

Prices are mostly two cents higher, but some larger increases were noted. The market tone, though firm, is unsettled. Many contacts wonder where prices are going. They note that demand is very good, but a large portion of the demand and tight supply seems to be producers and buyers storing butter for future needs. Current demand is just fair and other reports note no significant upswing in consumption levels. At current prices, most end users are ordering only for immediate needs. Also, the high butter prices are adversely affecting fluid cream sales which may force more excess cream to the churns. Locally, churning activity is heavy and some producers are building inventories. Demand for cream from Midwestern butter makers seems to have eased slightly as prices increase. Retail and food service orders are steady at fair levels.

WHOLESALE PRICES: MIN 25 BOXES  
DOLLARS PER POUND, DELIVERED EAST COAST CITIES

1/4 LB. PRINTS	: 1.5700-1.8175
1 LB. PRINTS	: 1.4850-1.6675
CHIPS/PATTIES	: 1.5475-1.7550
REDDIES	: 1.6225-1.8175
CONTINENTALS	: 1.7025-1.8775

## CENTRAL

Print butter prices continue to adjust higher following cash trading at the Chicago Mercantile Exchange. Supplies are reported to be in balance for current needs with additional stocks being held for future use. Mixed opinions prevail on how to approach current prices relative to inventories for future use. Current buying interest is fairly good for immediate needs. Stocks are fully sufficient for that need. Retail and food service orders are holding steady at typical midwinter levels. In instances, orders are stronger, being attributed to favorable winter weather.

## FOB CENTRAL STATES PLANTS: MIN 20,000 POUNDS, \$ PER POUND

1/4 LB. PRINTS	: 1.4600-1.8675
1 LB. PRINTS	: 1.4250-1.5875
CHIPS/PATTIES	: 1.4500-1.6600
REDDIES	: 1.5350-1.7700
CONTINENTALS	: 1.6900-1.8800

## WEST

Western print butter prices continue to strengthen. Print demand is fair, but bulk demand is excellent and often going unfilled. The higher prices of the last few weeks have not slowed buying interest for bulk butter. How much is going into storage at any given level of the market is anyone's guess. Some contacts believe more than last year while others think less. Demand for cream is also increasing from users other than butter manufacturers. U.S. butter production in December totaled 116.3 million pounds, up 4.5% from December 1996. Cumulative output for 1997 reached 1.16 billion pounds, down 1.3% from the previous year. December output in California was up 20.4% from last December, Oregon was up 26.0%, and Washington was down 20.3%.

WHOLESALE SELLING PRICES: DELIVERED WESTERN CITIES  
150 - 1000 POUNDS, DOLLARS PER POUND

1/4 LB. PRINTS	: 1.6425-1.7100
1 LB. PRINTS	: 1.5725-1.6375
PATTIES	: 1.6150-1.7800
REDDIES	: 1.7400-1.7575

FOB CALIFORNIA PLANTS - GRADE AA  
100 CASES AND UP, DOLLARS PER POUND

1/4 LB. PRINTS	: 1.3575-1.4075
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WEEKLY COLD STORAGE HOLDINGS - SELECTED STORAGE CENTERS  
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER	CHEESE
02/02/98	8,834	98,933
01/01/98	5,399	102,728
CHANGE	+3,435	- 3,795
% CHANGE	+ 64	- 4

Based on the historical relationship of the preliminary U.S. Cold Storage report of Dec. 31, 1997 and the selected centers storage report, the expected U.S. holdings as of Feb. 1, 1998 are:  
Butter 30 million pounds plus or minus 4.50 percent  
Cheese 399 million pounds plus or minus 2.27 percent

## NASS CHEDDAR CHEESE PRICE SURVEY

WEEK ENDING	40# BLOCKS		640# BLOCKS		BARRELS (adjusted to 39% moisture)		
	MN/WI	WEST	U.S.	U.S.	MN/WI	OTH STATES	U.S.
JANUARY 30	1,4494	1,4088	1,4196	1,4216	1,3861	1,3543	1,3694
	1,461,836	4,427,277	6,003,339	1,865,792	4,282,290	4,655,033	8,937,323

Further data may be found on the Internet at: <http://usda.mannlib.cornell.edu/reports/nassr/price/cheddar/>

## CHEESE MARKETS

## NORTHEAST

Prices are mostly unchanged on natural styles, but 2 cents higher on process items. However, some price adjustments, higher and lower, were noted on both types. The market tone is firm, but there is caution on the part of distributors and buyers. Most orders are limited to normal, weekly needs. No one wants to get caught with inventories should prices take a downturn. Contacts do wonder how long block prices at the CME can be maintained when most indications point to a fully adequate 40# block supply in most parts of the country. Locally, cheese output is increasing at some plants; steady at others. Cheddar stocks are adequate to meet current needs. Some cheese is being put into aging programs, but producers are trying to limit these volumes because of high cheese prices. Retail and food service orders are slow to fair.

WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	1.4525-1.9125
Cheddar Single Daisies	:	1.4225-1.9175
Cheddar 40# Block	:	1.5675-1.7275
Process 5# Loaf	:	1.6300-1.7575
Process 5# Sliced	:	1.6500-1.8150
Muenster	:	1.6100-2.0100
Grade A Swiss Cuts 10 - 14#	:	2.2500-2.5050

## MIDWEST

Traders have mixed opinions about the direction of any short term price adjustments. At the Chicago Mercantile Exchange on January 29, the price of blocks was unchanged at \$1.4300 and barrels increased 2 cents to \$1.4200. The spread between blocks and barrels is the narrowest since early May 1997. Some buyers continue to position orders towards short term needs. Other buyers feel prices could increase and are trying to build inventory. Barrels and processing solids remain tight to short of needs. Reports indicate a few barrel producers with plant capacity are trying to purchase extra milk to help fill orders. Process demand is mixed, ranging from good to fair at best. Natural demand is irregular. There are questions about the cheddar volume entering aging programs at the current, relatively high, prices. Mozzarella interest is steady to slower with a few producers lowering premiums to help stimulate sales. Cheese production is steady to generally higher. Yields remain good for February.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,  
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	1.4975-1.7600
Brick And/Or Muenster 5#	:	1.7100-1.8875
Cheddar 40# Block	:	1.6800-1.9150
Monterey Jack 10#	:	1.8800-1.9150
Blue 5#	:	2.0325-2.2500
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	1.7900-1.9150
Grade A Swiss Cuts 6 - 9#	:	2.2800-2.4850

## WEST

Process cheese prices are generally higher while natural cheese again held steady. Processing solids, including barrels, are tight. Buyers are not able to cover their needs even offering higher prices. Very little undergrade cheese is available. Block cheese is generally more available, but it too is more expensive than a few weeks ago. Swiss sales remain sluggish and some manufacturers are scaling back on production schedules to balance stocks in aging programs. December U.S. Swiss production totals 18.5 million pounds, up 4.5% from last year. Total cheese production in December was up 0.9% from last December. Cumulative cheese output for 1997 has reached 7.35 billion pounds, up 1.9% from 1996. December output compared to last year for total cheese for selected Western states is as follows: California up 9.4%, Idaho up 13.8%, Oregon down 6.1%, Utah down 39.3%, and Washington up 41.2%.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND  
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	1.5375-1.8400
Cheddar 40# Block	:	1.6125-1.7300
Cheddar 10# Cuts	:	1.7500-1.9525
Monterey Jack 10#	:	1.7150-1.9150
Grade A Swiss Cuts 6 - 9#	:	2.3375-2.5600

## FOREIGN TYPE

Prices are unchanged and the market tone is steady. Demand for most types of imported and foreign type cheese is slow to fair. Distributor/importer stocks are light to adequate for current needs. Imports are being affected by the continued strength of the U.S. Dollar, but availability and export subsidies in the producing countries are, at times, offsetting the effects of the stronger Dollar.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK  
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
Roquefort	: 5.5000-6.8900	: -0-
Blue	: 2.6400-3.1400	: 1.7650-2.3750
Gorgonzola	: 3.2400-5.9400	: 2.4300-2.4950
Parmesan (Italy)	: TFEWR	: 3.1750-3.2125
Romano (Italy)	: 2.0900-2.9000	: -0-
Provolone (Italy)	: 3.4400-5.5000	: 1.4375-1.9450
Romano (Cows Milk)	: -0-	: 2.9625-3.2150
Sardo Romano (Argentina)	: 2.6500-3.2900	: -0-
Reggianito (Argentina)	: 2.6500-3.2900	: -0-
Jarlsberg-(Brand)	: 2.7400-3.1200	: -0-
Swiss Cuts Switzerland	: -0-	: 2.2500-2.5050
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-
Swiss Cuts Austrian	: 2.2500-2.7500	: -0-
Edam	:	:
2 Pound	: TFEWR	: -0-
4 Pound	: 2.1900-3.0900	: -0-
Gouda, Large	: 2.3900-3.1500	: -0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	: 27.8000-31.7000	: -0-

\* = Price change.

## FLUID MILK AND CREAM

## E A S T

Weather, again, is a major factor in the East. A large rain storm moved across Florida and the Gulf Coast States before moving up the Coast early this week. Many businesses and farms in Southern Florida and along the Carolina Coast were without power for various periods of time. Also, some locales are still without power from last week's storm in the mountains of the Carolinas and western Virginia. Through all the rain, milk production in the Southeast is increasing. In the Middle Atlantic and New England areas, milk output is increasing more slowly. Fluid milk supplies are long and most manufacturing plants are operating on heavy schedules. Bottled milk sales are termed as slow and unaggressive. However, this week's storm predictions did create some increased demand for fluid milk. Florida handlers are quite well balanced. After shipping some milk out of state late last week, handlers are now running just a little short, but no spot milk was imported. The condensed skim market is weak. However, prices have moved up at the low end of the range as we come under the February Class II milk price. Spot sales are limited. Class III condensed is reported to be moving at prices less than \$1.00, f.o.b. The fluid cream market is mostly steady, but more excess cream is moving to churns. The higher prices of butter and cream have hurt spot sales. With the Grade A butter price increasing again last week, spot cream prices are often higher. Multiples are steady to lower. Ice cream makers are often slowing output and turning to making sherbet, sorbets, or other lowfat products. Cream cheese and sour cream output is also slowing because of fat prices. Churning activity is heavy at most plants that are making butter.

## FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

## SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. Producing Plants: Northeast	-	1.6002 - 1.7640	
Delivered Equivalent Atlanta	-	1.6128 - 1.9104	M 1.6128 - 1.7388
F.O.B. Producing Plants: Upper Midwest	-	1.6632 - 1.7640	

## PRICES OF CLASS II CONDENSED SKIM, \$ PER LB WET SOLIDS

F.O.B. Producing Plants: Northeast	-	1.0600 - 1.2500
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## M I D W E S T

## WISCONSIN SPOT SHIPMENTS:

SPOT SHIPMENTS:	LOADS
JANUARY 30 - FEBRUARY 5, 1998	0
PREVIOUS WEEK	0
COMPARABLE WEEK IN 1997	0

Class I demand is steady to slightly improved, bolstered by the usual first of the month stimulus. A few retail promotions were also stimulating sales. A winter storm in Kentucky caused a few bottlers outside the immediate area to increase their finished product production to help fill orders. There were no Wisconsin loads reported that were direct shipped and pooled on a Southern order. A total of 4 loads of Wisconsin milk were sent to Ohio and another 2 loads sent to Michigan. An employee strike at a large Minnesota cheese plant did cause extra milk to be sold to outside operations. Manufacturing milk demand is steady at best with various buyers more or less interested than in recent weeks. Manufacturing milk premiums, outside the strike area, are generally in the \$.90 to \$1.75 over class or MCP (multiple component price). Cream prices are slightly higher, reflecting higher butter prices at the Chicago Mercantile Exchange. The current cream prices are affecting demand from some users such as ice cream manufacturers.

Milk intakes are increasing slightly through the upper tier of states. Milk supplies are about in balance further south in the mid-tier of Midwestern states and intakes are steady to somewhat higher. Tested hay sold at auctions during the week ending February 5 for prime quality RFV over 151 (relative feed value RFV) sold for \$135.00 - 160.00 per ton. Good quality (RFV 125-151) sold for \$115.00 - 135.00 per ton and good quality (RFV 103-124) went for \$80.00 - 120.00 per ton.

## WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	JAN 29 - FEB 4	PREVIOUS YEAR
SLAUGHTER COWS	\$ 34.00- 39.00	\$ 31.00- 37.00
REPLACEMENT HEIFER CALVES	\$ 90.00-165.00	\$ 90.00-150.00

## SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	JAN 29 - FEB 4	PREVIOUS YEAR
SLAUGHTER COWS	\$ 32.00- 37.00	\$ 30.00- 38.75

## W E S T

The U.S. "all milk" price for January is \$14.60 at a fat test of 3.79%. All milk prices for selected Western states for January are: Arizona \$14.40 at 3.71%; California \$13.50 at 3.82%; Colorado \$14.30 at 3.68%; Idaho \$13.30 at 3.72%; New Mexico \$14.40 at 3.75%; Oregon \$14.30 at 3.72%; Utah \$14.00 at 3.73%; and Washington \$14.30 at 3.76%. The January 4a price (butter/powder) in California is \$12.07, down 86 cents from December 1997 but 49 cents higher than last year. The 4b price (cheese) is \$12.50, 5 cents lower than last month but \$1.73 higher than last year. Heavy rain fell across most of the milk producing areas of California. Milk production has shown slight declines, but is expected to drop further once the effects of wet and muddy conditions persist. Rainfall is expected throughout the weekend. In New Mexico and Arizona milk production is improving seasonally. Recent weather conditions are still impacting milk output. Some herds in New Mexico are still recovering from the blizzard at the end of December. Cream multiples are steady in the 125 to 135 range, but the increases in butter prices at the Chicago Mercantile Exchange are causing cream prices to be higher. Demand for cream from ice cream producers in California is fair to good. Some producers are increasing production now to avoid the higher Class III cream prices in April/May when production is typically stronger in advance of summer. Good milk producing weather continues to be the norm in the Pacific Northwest. Temperatures are ideal on the west side to promote good milk flow. On the east side, muddy conditions are more of a problem and some herd health issues are noted. More hay is becoming available as sellers note that their inventories are in good shape for this time of year because of the warm temperatures. The hay being offered is not top quality, but it is not bad. Butter manufacturing operations are being held to reduced schedules because of less cream available for churning. Cheese plants seem to be on more normal schedules. Warm conditions are continuing over the northern Mountain States region. Temperatures into the mid 50's are common. Grass is greening, buds are swelling, and golf courses are open. The flip side is that feed lots remain muddy. Herd health concerns are growing with somatic cell counts increasing and the occasional "hot" load of milk turning up. The milk flow is holding about steady, but many contacts note that the solid's content of the incoming milk is very good for this season of the year. Cheese offerings from the region, especially barrels, are less than the full commercial trade is looking for at this time.

**CENTRAL AND WEST DRY MILK PRODUCTS**

All reports, except California manufacturing plants, were released 02/05/98 and represent FOB Central and Western production areas. Prices represent CL/TL quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound.

**NONFAT DRY MILK - CENTRAL**

Prices and the market tone are unchanged. Demand is steady with equal interest in both low and high heat production. Sales activity is slower than desired. With the abundant amount of product available, buyers are searching for competitive prices. Production levels range from moderate to heavier. U.S. production of human food NDM during December totaled 101.7 million pounds, up 0.1% from last year and 36.2% higher than November. (Combined MN and WI production during December totaled 1,726,000 pounds.) Manufacturers' stocks at the end of December totaled 103.3 million pounds, 45.3% higher than last year and 8.4% more than last month.

Includes EXTRA GRADE and GRADE A, all heat treatments

NONFAT DRY MILK: 1.0300 - 1.0775 MOSTLY: 1.0400 - 1.0500

**DRY BUTTERMILK - CENTRAL**

Prices are higher and the market undertone is showing strength. An increase in demand coupled with lower production levels are tightening up the market. Offerings are not as readily available. Producers' stocks range from adequate to lighter than desired. During December, dry buttermilk production totaled 4.8 million pounds, up 8.3% from last year and 22.4% higher than November. End-of-month stocks totaled 3.6 million pounds, down 12.4% from a year earlier but 12.7% higher than last month.

BUTTERMILK: .9325 - .9625

**DRY WHEY - CENTRAL**

The price range is lower, but the mostly is unchanged as the market begins to show signs of stability. Buying interest has improved and more sales are being reported. Major discounting has ended as prices begin to stabilize. Unconfirmed offerings below the market have been rumored. Some contacts believe that the market is near the bottom. Inventories are moderate and the majority of sales are for smaller quantities. Manufacturers are often unable to fill larger volume orders due to lack of sufficient stocks. U.S. production of human food whey during December totaled 98.0 million pounds, 16.9% more than last year and 17.0% higher than last month. End-of-December stocks, at 32.5 million pounds, are 4.2% more than last year and 18.3% higher than November.

NONHYGROSCOPIC: .2300 - .2550 MOSTLY: .2400 - .2500

**ANIMAL FEED WHEY - CENTRAL**

Prices are sharply lower on all feed types except delactose. All prices are nominal. Offerings are readily available as edible whey production is stronger. Sales are active. End users feel prices are at a more comfortable, steady level and some have resumed regular buying patterns. Delactose prices and the market tone are steady. Product is moving well and orders are seasonally better than expected. At some plants, demand is surpassing the supply. Stocks range from adequate to short of needs. December U.S. animal feed, dry whey production totaled 5.9 million pounds, 14.6% higher than last year and up 58.0% from November. Month-ending stocks were 2.0 million pounds, 32.9% less than last year and 15.9% lower than last month. Animal feed, reduced lactose and minerals whey production during December totaled 2.4 million pounds, 2.8% more than last year and 5.1% higher than November; while month-ending stocks (animal and human), at 9.1 million pounds, were 46.3% higher than last year.

MILK REPLACER: .1900 - .2350  
STANDARD: .1800 - .2200  
ROLLER GROUND: .2550 - .2700  
DELACTOSE (Min. 20% protein): .3400 - .3675

**LACTOSE - CENTRAL AND WEST**

Prices are unchanged. The market tone is steady to occasionally stronger. Demand remains good. Sales on the resale market are not as active because of the lack of available product. Many producers are filling committed orders, but are sold out beyond that. Inventories range from in balance to short of needs. A strike at a major plant is causing disruptions in production and marketing of product. U.S. lactose production during December totaled 34.1 million pounds, down 2.4% from last year but 11.6% higher than November. End-of-December stocks, at 20.9 million pounds, are 23.4% higher than last year and 10.1% more than last month.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

EDIBLE: .1800 - .2600 MOSTLY: .2100 - .2250

**WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST**

Prices and the market tone are steady. Demand is slower and sales are often limited to contracts. Some producers speculate that a softer market with lower prices is approaching. Production levels are at about 50% capacity. U.S. production of human food WPC during December totaled 25.4 million pounds, a 13.1% increase from last year and 11.8% more than the previous month. Manufacturers' stocks at the end of December totaled 11.5 million pounds, 12.2% higher than last year and 31.0% more than last month.

EXTRA GRADE 34% PROTEIN: .5775 - .6275 MOSTLY: .6050 - .6100

**NONFAT DRY MILK - WEST**

Prices and the market tone are holding at weak levels. Buying interest is mainly limited to contracts and near term needs. Production remains strong in most areas. Some areas are being affected by wet weather. Producers continue to use government sales to clear inventories. Sales by Western producers to the CCC during the week of January 26 - 30, totaled 2.4 million pounds under the price support program. U.S. NDM production in December totaled 101.7 million pounds, up 0.1% from last year and 36.2% higher than November. Stocks at the end of the month were reported at 103.3 million pounds, up 45.3% from last year and 8.4% more than last month. December production in California totaled 47.9 million pounds, up 12.5% from last year, and Washington output totaled 12.1 million pounds, down 25.3% from a year ago. Preliminary 1997 U.S. NDM production of 1.21 billion pounds, shows a 13.7% increase over 1996 levels.

Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: 1.0200 - 1.0550 MOSTLY: 1.0250 - 1.0350  
HIGH HEAT: 1.0500 - 1.0650

**DRY BUTTERMILK - WEST**

Buttermilk prices are higher and the market tone continues to be firm. Trading activity is generally light, mainly due to the limited plant offerings. Demand is fair to good from ice cream manufacturers. Buttermilk is fair at best with churning noted as lower. Condensed sales are good. U.S. buttermilk powder production in December totaled 4.8 million pounds, up 8.3% from last year and 22.4% higher than November. Stocks at the end of the month were reported at 3.6 million pounds, down 12.4% from a year earlier but 12.7% higher than November.

BUTTERMILK: .8900 - .9300 MOSTLY: .9000 - .9200

**DRY WHEY - WEST**

Prices continue to soften for Western whey powder. Trading activity has improved from both export and domestic buyers. Stock levels are in much better shape than they were a few weeks ago. Buyers are deciding that current price levels are "more reasonable" and they are buying accordingly. December edible whey production for the U.S. totals 98.0 million pounds, up 16.9% from last year. Stocks at the end of the month are 32.5 million pounds up 4.2% from last year. Total dry whey output for 1997 is 1.14 billion pounds, up 2.4% from 1996. December California output was up 62.8% from last year, Utah was down 10.6% and Washington was up 62.6%.

NONHYGROSCOPIC: .2000 - .2400 MOSTLY: .2075 - .2200

**CALIFORNIA MANUFACTURING PLANTS**

The weighted average price for Extra Grade and Grade A Nonfat Dry Milk for the seven day period ended January 30, on powder sales of 8,893,856 pounds f.o.b. California manufacturing plants was \$1.0348 per pound. This compares to 11,281,190 pounds at \$1.0360 for the previous week ending January 23, 1998. Prices for both periods were influenced by the effect of long-term contract sales. Compiled by the Dairy Marketing Branch, California Department of Food and Agriculture.

**NORTHEAST, SOUTHEAST, AND NATIONAL MILK PRODUCTS**

All reports represent carlot/trucklot quantities in 50 lb., 100 lb., or 25 kg. bags, spray process, dollars per pound, unless otherwise specified. Delivered Southeast is delivered equivalent Atlanta.

**NONFAT DRY MILK - NORTHEAST and SOUTHEAST**

Prices are generally unchanged and the market tone remains weak. Drying schedules in the East are very heavy as milk supplies increase and demand for condensed skim fades. Producers report growing inventories and sluggish demand unless priced attractively. Some large volume sales have been noted, but these usually take place at or near the low end of the ranges. Production of human food, nonfat dry milk during December 1997 totaled 101.7 million pounds, up 0.1% from December 1996 and 36.2% more than November 1997. Month ending stocks, at 103.3 million pounds, are 45.3% above a year ago and 8.4% more than last month.

Includes EXTRA GRADE and GRADE A, all heat treatments

F.O.B. NORTHEAST: 1.0275 - 1.1200 MOSTLY 1.0300 - 1.0500  
DELVD SOUTHEAST: 1.0600 - 1.0850

**DRY BUTTERMILK - NORTHEAST AND SOUTHEAST**

Prices are mixed and the market tone is generally unchanged. Production levels are moderate to heavy. Some butter producers are clearing a large portion of their buttermilk as condensed. This helps free up dryer time for skim. Producers' stocks range from adequate to fully adequate for the steady, mostly slow demand. Dry buttermilk production during December 1997 totaled 4.8 million pounds, up 8.3% from December 1996 and up 22.4% from November 1997. Month ending stocks, at 3.6 million pounds, are 12.4% less than a year ago but 12.7% more than last month.

F.O.B. NORTHEAST: .9400 - .9700  
DELVD SOUTHEAST: .9200 - .9975

**DRY WHOLE MILK - NATIONAL**

Prices are unchanged. Production levels are increasing. Demand is also seeing some improvement. However, much of the improvement is for export under DEIP. Several new DEIP bids for dry whole milk have been accepted this week. Domestic demand is steady. Dry whole milk production during December totaled 12.2 million pounds, down 7.0% from December 1996 but 45.8% above November 1997. Month ending stocks, at 5.6 million pounds, are 12.7% under a year ago but 41.3% above last month.

F.O.B. PRODUCING PLANT: 1.2500 - 1.3500

**DEIP BID ACCEPTANCE SUMMARY**

JULY 1, 1997 THROUGH JANUARY 30, 1998  
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK	--	82,323 MT (181,499,094 LBS)
CHANGE	--	1,299 MT (2,863,775 LBS)
WHOLE MILK POWDER	--	6,261 MT (13,803,000 LBS)
CHANGE	--	32 MT (70,547 LBS)
CHEESE	--	2,571 MT (5,668,026 LBS)
BUTTERFAT	--	15,567 MT (34,319,008 LBS)

Allocations for the DEIP year beginning July 1, 1997, are:  
Nonfat dry milk - 92,217 MT; Whole Milk Powder - 7,487 MT;  
Cheese - 3,510 MT; Butterfat - 34,232 MT.

**DRY WHEY - NORTHEAST AND SOUTHEAST**

Prices are steady to lower and the market tone remains weak. However, this week's price drops are less dramatic than the past couple weeks. One only needs to look at the production and end of month stocks for December to see why the market is so weak. Demand remains sluggish as buyers continue to look for bargains. However, buyers report that producers are not discounting prices like they were. Production of human food, dry whey during December 1997 totaled 98.0 million pounds, 16.9% more than December 1996 and 17.0% more than November 1997. Month ending stocks, at 32.5 million pounds, are 4.2% above a year ago and 18.3% above last month.

F.O.B. NORTHEAST: EXTRA GRADE .2450 - .2700  
USPH GRADE A .2550 - .2700  
DELVD SOUTHEAST: .2600 - .2750

**ANIMAL FEED WHEY - NORTHEAST**

Prices remain too few to report. Demand is still slow, but some buyers are starting to show a little interest now that price drops appear to be slowing. Offerings are more than sufficient to meet current needs. Production of animal feed, dry whey during December totaled 5.9 million pounds, 14.6% more than last December and 58.0 more than November 1997.

F.O.B. NORTHEAST: MILK REPLACER TFEWR

**EVAPORATED MILK - NATIONAL**

Prices and the market tone are unchanged. Production levels are increasing where milk supplies are increasing, steady elsewhere. Demand is slow to fair and typical for this time of year. Producers continue to replenish inventories. Canned evaporated milk production during December 1997 totaled 46.0 million pounds, 3.0% more than December 1996 but 14.6% less than November 1997. Month ending stocks, at 22.2 million pounds, are 13.8% more than a year ago and 11.4% above last month.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$22.50 - 33.00  
Excluding promotional and other sales allowances. Included new price announcements.

**CASEIN - NATIONAL**

Casein markets are generally steady. Prices are unchanged for acid, although slightly lower on rennet. Stocks are reported to be readily available. Additional supplies continue to be offered at lower prices, although many users are not taking advantage of the available stocks. Casein imports during the first 11 months of 1997 totaled 59,708,426 kilograms, 4% less than the comparable period in 1996.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 2.1600 - 2.2000  
ACID: 2.0000 - 2.1500

## COFFEE, SUGAR, &amp; COCOA EXCHANGE AND CHICAGO MERCANTILE EXCHANGE FUTURES

Selected settling prices, (open interest), and volume 1/

Month	01/22	01/23	01/26	01/27	01/28	01/29	01/30	02/02	02/03	02/04
<b>CSCE CHEDDAR CHEESE</b> -- Cents per pound										
FEB 98	138.30 (0) 0	138.30 (0) 0	138.30 (0) 0	138.30 (0) 0	138.30 (0) 0	138.30 (0) 0	138.30 (0) 0	138.30 (0) 0	138.30 (0) 0	138.30 (0) 0
<b>CSCE - NONFAT DRY MILK</b> -- Cents per pound										
JAN 98	101.50 (0) 0									
FEB 98	101.50 (0) 0	101.50 (0) 0	101.50 (0) 0	101.50 (0) 0	101.50 (0) 0	101.50 (0) 0	101.50 (0) 0	101.50 (0) 0	101.50 (0) 0	101.50 (0) 0
<b>CSCE - BUTTER</b> -- Cents per lb.										
FEB 98	120.00 (0) 0	120.00 (0) 0	125.00 (0) 0	132.00 (0) 0	135.00 (0)	135.00 (0) 0	135.00 (0) 0	113.50 (0) 0	113.50 (0) 0	113.50 (0) 0
<b>CSCE - BFP</b> -- Dollars per cwt.										
JAN 98	13.26 (174) 1	13.30 (175) 2	13.22 (175) 7	13.24 (175) 1	13.24 (168) 1	13.24 (168) 0	13.28 (167) 4	13.27 (167) 0	13.25 (167) 1	13.27 (166) 1
FEB 98	12.82 (166) 7	12.82 (168) 13	12.78 (167) 16	12.89 (168) 2	12.93 (166) 4	13.07 (166) 2	13.15 (168) 7	13.15 (171) 6	13.13 (174) 12	13.19 (174) 0
MAR 98	12.40 (117) 7	12.40 (113) 1	12.35 (99) 7	12.40 (101) 2	12.43 (102) 13	12.56 (101) 2	12.68 (100) 2	12.65 (101) 2	12.65 (100) 4	12.72 (100) 1
APR 98	12.05 (20) 3	12.05 (20) 0	12.05 (20) 0	12.00 (23) 3	12.05 (24) 7	12.14 (24) 0	12.29 (24) 0	12.23 (25) 1	12.28 (26) 3	12.27 (26) 2
MAY 98	12.05 (23) 1	12.07 (23) 0	12.00 (23) 0	12.00 (25) 4	11.98 (28) 3	12.06 (29) 1	12.20 (31) 2	12.16 (33) 4	12.18 (34) 1	12.18 (34) 10
<b>CSCE - FLUID MILK</b> -- Dollars per cwt.										
FEB 98	14.33 (0) 0	14.33 (0) 0	14.33 (0) 0	14.33 (0) 0	14.33 (0) 0	14.33 (0) 0	14.33 (0) 0	14.33 (0) 0	14.33 (0) 0	14.33 (0) 0
<b>CME - BUTTER</b> -- Cents per pound										
FEB 98	117.00 (41) 6	122.00 (41) 0	127.00 (41) 0	132.00 (41) 0	137.00 (41) 0	142.00 (38) 4	139.50 (37) 10	135.50 (37) 5	138.00 (41) 4	140.50 (44) 11
MAR 98	117.75 (33) 0	122.75 (33) 0	127.75 (33) 0	132.75 (33) 0	137.75 (33) 0	142.50 (33) 0	140.00 (32) 4	136.50 (32) 0	136.50 (30) 2	139.00 (30) 2
<b>CME - BFP</b> -- Dollars per cwt.										
JAN 98	13.26 (254) 10	13.26 (240) 0	13.27 (255) 34	13.24 (249) 13	13.23 (245) 11	13.25 (254) 22	13.25 (252) 12	13.25 (252) 0	13.26 (252) 1	13.26 (252) 5
FEB 98	12.80 (214) 15	12.82 (258) 96	12.82 (267) 33	12.90 (271) 7	12.95 (267) 24	13.09 (273) 11	13.20 (256) 17	13.14 (248) 20	13.14 (252) 6	13.20 (252) 6
MAR 98	12.34 (82) 14	12.35 (89) 18	12.38 (90) 12	12.39 (90) 0	12.41 (90) 1	12.55 (93) 6	12.65 (96) 18	12.65 (102) 13	12.65 (102) 4	12.72 (103) 2
APR 98	11.95 (56) 6	11.98 (60) 9	11.98 (67) 9	11.98 (67) 0	12.02 (67) 3	12.16 (67) 0	12.26 (75) 14	12.25 (77) 4	12.25 (75) 10	12.29 (74) 3
MAY 98	11.97 (29) 2	12.00 (29) 1	12.00 (32) 7	12.00 (32) 0	11.99 (32) 0	12.05 (33) 1	12.22 (35) 8	12.19 (33) 12	12.19 (34) 7	12.20 (34) 0
<b>CME - CHEDDAR CHEESE</b> -- Cents per pound										
JAN 98	140.95 (181) 0	141.00 (86) 105	141.00 (86) 60	141.00 (74) 3	141.00 (14) 0	141.00 (14) 0	142.00 (14) 0	142.00 (15) 1	142.00 (15) 0	142.00 (11) 0
MAR 98	133.25 (77) 13	133.25 (78) 1	133.25 (78) 0	133.25 (78) 0	133.25 (78) 0	135.25 (78) 0	136.50 (81) 3	136.60 (81) 2	136.60 (81) 4	136.75 (81) 0

1/ Open interest for NDM and cheddar -- 4 contracts equal 40,000 pounds. Open interest for fluid milk (at both exchanges) -- 1 contract equals 50,000 pounds. For more detailed information, you may call our automated voice system at 608-224-5088 or the CSCE's Soft Fax at 212-742-6111.

## INTERNATIONAL DAIRY MARKET NEWS

Information gathered January 26 - February 6, 1998

Prices are U.S. Dollars per MT, F.O.B. port. Information gathered for this report is from trades, offers to sell, and secondary data. This bi-weekly report may not always contain the same products and/or regions. Future reports may be included or withdrawn depending on availability of information. MT = metric ton = 2,204.6 pounds.

## WESTERN AND EASTERN EUROPE

**OVERVIEW: WESTERN EUROPE:** International trading activity out of Europe remains light and inactive, although buyer interest is starting to develop out of Northern Africa for shipments in the spring. Some of the recent Japanese SMP tender will be filled from Europe, but the majority will be sourced from the Oceania region. Stocks of manufactured dairy products are reported to be available for current needs. Overall, prices are steady to lower, which may stimulate some interest. The milk quota year-end is nearing and those producers that are approaching their quota levels are now having to make marketing decisions. Favorable milk prices are not helping those producers with their decision making. Sales of SMP powder are limited to the point that some producers are now producing powder to be offered to intervention starting March 1. Butter is being considered for PSA storage in April.

**BUTTER/BUTTEROIL:** Butter markets are weak as buyer interest is limited. Prices are generally lower across the region. Stocks are building due to limited sales and high prices in comparison to other markets. Interest is building to direct butter stocks to PSA starting in April. Russia's buyer interest has ceased and many traders do not anticipate much interest from this region during the first and second quarter of the year.

82% BUTTERFAT:	1,800 - 2,100
99% BUTTERFAT:	2,400 - 2,550

**SKIM MILK POWDER (SMP):** The skim milk powder markets continue to weaken as prices edge lower. The most activity in the powder market was the recent announcement of the Japanese SMP tender of 17,100 MT. The majority of the tender will be sourced out of the Oceania region, but 100 MT will be from Europe. Outside of this activity, most business is centering around powder being readied for offering to intervention starting March 1. Due to limited buyer interest, traders feel that a large volume will be heading towards intervention.

1.25% BUTTERFAT:	1,470 - 1,600
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**WHOLE MILK POWDER (WMP):** Whole milk powder markets are weak and continue to feel the downward pressure from the other dairy product markets. Production continues to follow demand, thus inventories of whole milk powder are limited. Producers are able to get sufficient milk volumes to maintain a comfortable balance between supply and demand.

26% BUTTERFAT:	1,700 - 1,850
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**SWEET WHEY POWDER:** Whey markets are mixed with prices lower and higher. The recent weakness in the whey markets caused available stocks to be readily absorbed, thus the market stabilized quickly. Stocks for short term or immediate delivery became limited. Cheese production is increasing. Whey stocks are anticipated to become more available as cheese output builds.

NONHYGROSCOPIC:	630 - 760
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**EASTERN EUROPE:** Milk production in Eastern Europe is generally in line with last year at this time. Weather conditions are seasonal with winter conditions more favorable than in past years. Sales activity is light. Sales that are occurring are for domestic or internal use only. Stocks are reported to be in balance for current needs. If international trading is occurring, it is from previously placed contracts and delivery continues at this time. Traders are waiting until later this winter or spring before buyer interest is anticipated to improve.

## OCEANIA

**OVERVIEW:** Weather conditions throughout most of the dairy areas of the Oceania region remain dry. Milk production continues to decline on a regular basis. Although milk output is declining and on a month to month basis is lower, overall production is reported to be running near last year on a cumulative basis. International buyer interest remains slow and unaggressive, although a recent Japanese SMP tender will be filled from the region. This purchase is the first sizable business in some time and, for many handlers, is welcomed. Due to lighter buyer interest and a strong milk production season, stock levels are reported to generally be in a comfortable situation. In most instances, stocks are fully sufficient for current needs. Shipments of previously placed orders continue to occur with minimal new orders developing. Producers/handlers of Oceania produced products continue to seek customers and are now expanding their marketing scope to include potential customers from greater distances. All-in-all, Oceania traders are still comfortable with their supply situation and limited sales.

**BUTTER:** Butter markets remain weak, although prices are unchanged. Lack of international buyer interest is putting additional downward pressure on prices in Oceania and other areas of the world. Stock levels are reported to be readily available for most all potential buyer interest. Aggressive buyer interest out of Russia a few months ago has eased greatly and Oceania traders do not foresee much recovery for that market in the near future.

82% BUTTERFAT:	1,750 - 1,850
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**CHEDDAR CHEESE:** As in most other manufactured dairy product markets, cheese markets are steady to weak with prices unchanged to lower. Sales activity is quiet. Sales that are occurring are for markets that have been established for quite some time. Stocks are readily available. Stocks are plentiful to the point that traders are looking beyond regular buyers and, in instances, offering cheese at lower prices. This type of marketing is just in the early stages of development and as of yet is not realizing much success.

39% MAXIMUM MOISTURE:	1,900 - 2,200
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**SKIM MILK POWDER (SMP):** Skim powder markets are steady to weak with prices unchanged to generally lower. Overall buyer interest is light and unaggressive. This week, notification was received that the majority of a Japanese SMP tender (17,100 MT) will be sourced out of the Oceania region. This is the first substantial trading activity that has occurred in quite some time. Most traders are pleased with the contract which will ease inventory building. Outside of this commitment, stock levels of SMP remain quite heavy.

1.25% BUTTERFAT:	1,500 - 1,550
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**WHOLE MILK POWDER (WMP):** Whole milk powder markets are steady to weak with prices unchanged to lower. Trading activity remains slow and unaggressive. Stocks of powdered whole milk are generally in balance with demand. In most instances, whole milk powder continues to be produced for current order needs.

26% BUTTERFAT:	1,750 - 1,800
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Exchange rates for selected foreign currencies: February 02, 1998

.4894 Dutch Guilder	.5503 German Mark
.1640 French Franc	.5914 New Zealand Dollar
.1189 Mexican Peso	.6866 Australian Dollar
1.6390 British Pound	.0079 Japanese Yen
.2828 Polish Zloty	

To compare the value of 1 US Dollar to Mexican Pesos:  $(1/.1189) = 8.4104$ . That is 1 US Dollar equals 8.4104 Mexican Pesos.

Source: Wall Street Journal

MONTHLY SUMMARY AND AVERAGES FOR JANUARY 1998 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	REPORT NUMBER 53	REPORT NUMBER 1	REPORT NUMBER 2	REPORT NUMBER 3	REPORT NUMBER 4	1998	1997
	JAN 01 - 02	JAN 05 - 09	JAN 12 - 16	JAN 19 - 23	JAN 26 - 30	Average or Total	Average or Total
BUTTER							
CHICAGO (WSP) 2/ (Delivered in Bulk in Fiber Boxes) (Prices Issued Tues, Thurs and Fri)							
TUESDAY							
-- Grade AA		1.1150 - 1.1250	1.1150 - 1.1250	1.1350 - 1.1450	1.3400 - 1.3500		
-- Grade A		1.0300 - 1.0400	1.0300 - 1.0400	1.0600 - 1.0700	1.2400 - 1.2500		
THURSDAY							
-- Grade AA		1.1150 - 1.1250	1.1150 - 1.1250	1.1450 - 1.1550	1.3400 - 1.3500		
-- Grade A		1.0300 - 1.0400	1.0300 - 1.0400	1.0700 - 1.0800	1.2400 - 1.2500		
FRIDAY							
-- Grade AA	1.1150 - 1.1250	1.1150 - 1.1250	1.1150 - 1.1250	1.1450 - 1.1550	1.3400 - 1.3500	1.1781	0.9071
-- Grade A	1.0300 - 1.0400	1.0300 - 1.0400	1.0300 - 1.0400	1.0700 - 1.0800	1.2400 - 1.2500	1.0919	0.8189
CHICAGO MERCANTILE EXCHANGE 3/							
-- Grade AA		1.1250	1.1450	1.3400	1.3600	1.1932	0.9039
-- Grade A		1.0400	1.0700	1.2400	1.2600	1.1061	0.8174
-- Grade B		1.0300	1.0700	1.2400	1.2400	1.0987	0.8074
CENTRAL STATES PRINT (f.o.b. LTL)							
-- Grade AA, 1/4 Lb. Prints	1.2500 - 1.6575	1.2250 - 1.6325	1.2250 - 1.6325	1.2450 - 1.6525	1.4400 - 1.8475	1.4878	1.2061
-- Grade AA, 1 Lb. Prints	1.2150 - 1.3775	1.1900 - 1.3525	1.1900 - 1.3525	1.2100 - 1.3725	1.4050 - 1.5675	1.3303	1.0486
-- Grade AA, Chips/Patties	1.2400 - 1.4500	1.2150 - 1.4250	1.2150 - 1.4250	1.2350 - 1.4450	1.4300 - 1.6400	1.3790	1.0974
-- Grade AA, Reddies	1.3250 - 1.5600	1.3000 - 1.5350	1.3000 - 1.5350	1.3200 - 1.5550	1.5150 - 1.7500	1.4765	1.1936
-- Grade AA, Continentals	1.4800 - 1.6700	1.4550 - 1.6450	1.4550 - 1.6450	1.4750 - 1.6650	1.6700 - 1.8600	1.6090	1.3274
NORTHEAST PRINT (Delivered, LTL)							
-- Grade AA, 1/4 Lb. Prints	1.3600 - 1.6075	1.3350 - 1.5825	1.3350 - 1.5825	1.3550 - 1.6025	1.5500 - 1.7975	1.5178	1.2261
-- Grade AA, 1 Lb. Prints	1.2750 - 1.4575	1.2500 - 1.4325	1.2500 - 1.4325	1.2700 - 1.4525	1.4650 - 1.6475	1.4003	1.1186
-- Grade AA, Chips/Patties	1.3375 - 1.5175	1.3125 - 1.4925	1.3125 - 1.4925	1.3325 - 1.5125	1.5275 - 1.7075	1.4615	1.1749
-- Grade AA, Reddies	1.4125 - 1.6075	1.3875 - 1.5825	1.3875 - 1.5825	1.4075 - 1.6025	1.6025 - 1.7975	1.5440	1.2674
-- Grade AA, Continentals	1.4925 - 1.6675	1.4675 - 1.6425	1.4675 - 1.6425	1.4875 - 1.6625	1.6825 - 1.8575	1.6140	1.3324
CALIFORNIA PRINT (Delivered, LTL)							
-- Grade AA, 1/4 Lb. Prints	1.4325 - 1.4800	1.4075 - 1.4750	1.4075 - 1.4750	1.4275 - 1.4950	1.6225 - 1.6900	1.4998	1.2174
-- Grade AA, 1 Lb. Prints	1.3625 - 1.4225	1.3375 - 1.3975	1.3375 - 1.3975	1.3575 - 1.4175	1.5525 - 1.6175	1.4271	1.1511
-- Grade AA, Patties	1.4050 - 1.5700	1.3800 - 1.5450	1.3800 - 1.5450	1.4000 - 1.5650	1.5950 - 1.7600	1.5215	1.2511
-- Grade AA, Reddies	1.5300 - 1.5475	1.5050 - 1.5225	1.5050 - 1.5225	1.5250 - 1.5425	1.7200 - 1.7375	1.5728	1.2936
CALIFORNIA PLANTS PRINT (f.o.b. LTL)							
-- Grade AA, 1/4 Lb. Prints	1.1475 - 1.1875	1.1225 - 1.1625	1.1225 - 1.1625	1.1425 - 1.1825	1.3375 - 1.3775	1.2015	0.9386
CHEESE							
CHICAGO MERCANTILE EXCHANGE 3/							
-- Barrels		1.3100	1.3600	1.4000	1.4200	1.3477	1.2383
-- 40# Blocks		1.4300	1.4300	1.4300	1.4300	1.4300	1.2705
WISCONSIN ASSEMBLY POINTS (f.o.b.)							
-- Cheddar Barrels	1.2700 - 1.2900	1.2900 - 1.3100	1.3100 - 1.3350	1.3600 - 1.3850	1.4000 - 1.4250	1.3473	1.2366
-- Cheddar 40# Blocks	1.4300 - 1.4600	1.4300 - 1.4600	1.4300 - 1.4600	1.4300 - 1.4600	1.4300 - 1.4600	1.4450	1.2790
WISCONSIN (WSP, Delivered, LTL)							
-- Process American 5# Loaf	1.4975 - 1.6400	1.4975 - 1.6400	1.4975 - 1.6450	1.4975 - 1.6750	1.4975 - 1.7050	1.5810	1.5588
-- Brick And/Or Muenster 5#	1.7100 - 1.8875	1.7100 - 1.8875	1.7100 - 1.8875	1.7100 - 1.8875	1.7100 - 1.8875	1.7988	1.6546
-- Cheddar 40# Block	1.6800 - 1.9150	1.6800 - 1.9150	1.6800 - 1.9150	1.6800 - 1.9150	1.6800 - 1.9150	1.7975	1.7223
-- Monterey Jack 10#	1.8800 - 1.9150	1.8800 - 1.9150	1.8800 - 1.9150	1.8800 - 1.9150	1.8800 - 1.9150	1.8975	1.8223
-- Blue 5#	2.0325 - 2.2500	2.0325 - 2.2500	2.0325 - 2.2500	2.0325 - 2.2500	2.0325 - 2.2500	2.1413	1.9934
-- Mozzarella 5 - 6#	1.7900 - 1.9150	1.7900 - 1.9150	1.7900 - 1.9150	1.7900 - 1.9150	1.7900 - 1.9150	1.8525	1.7882
-- Grade A Swiss Cuts 6 - 9#	2.2800 - 2.4850	2.2800 - 2.4850	2.2800 - 2.4850	2.2800 - 2.4850	2.2800 - 2.4850	2.3825	2.3860
NORTHEAST (WSP, Delivered, LTL)							
-- Cheddar 10# Prints	1.4350 - 1.9125	1.4550 - 1.9125	1.4550 - 1.9125	1.4550 - 1.9125	1.4550 - 1.9125	1.6833	1.5077
-- Cheddar Single Daisies	1.4050 - 1.9175	1.4550 - 1.9175	1.4550 - 1.9175	1.4550 - 1.9175	1.4550 - 1.9175	1.6850	1.4902
-- Cheddar 40# Block	1.5675 - 1.7275	1.5675 - 1.7275	1.5675 - 1.7275	1.5675 - 1.7275	1.5675 - 1.7275	1.6475	1.4804
-- Process 5# Loaf	1.4900 - 1.6175	1.5000 - 1.6275	1.5200 - 1.6475	1.5700 - 1.6975	1.5700 - 1.7375	1.6048	1.4911
-- Process 5# Sliced	1.5100 - 1.6750	1.5200 - 1.6850	1.5400 - 1.7050	1.5900 - 1.7550	1.5900 - 1.7950	1.6435	1.5041
-- Muenster	1.6100 - 1.9925	1.6100 - 2.0125	1.6100 - 2.0125	1.6100 - 2.0125	1.6100 - 2.0125	1.8108	1.6339
-- Grade A Swiss Cuts 10 - 14#	2.2500 - 2.5050	2.2500 - 2.5050	2.2500 - 2.5050	2.2500 - 2.5050	2.2500 - 2.5050	2.3775	2.3775
WEST COAST (WSP, Delivered, LTL)							
-- Process 5# Loaf	1.4700 - 1.7225	1.4800 - 1.7325	1.5000 - 1.7525	1.5000 - 1.8000	1.5175 - 1.8400	1.6376	1.6041
-- Cheddar 40# Block	1.6125 - 1.7300	1.6125 - 1.7300	1.6125 - 1.7300	1.6125 - 1.7300	1.6125 - 1.7300	1.6713	1.6089
-- Cheddar 10# Cuts	1.7500 - 1.9525	1.7500 - 1.9525	1.7500 - 1.9525	1.7500 - 1.9525	1.7500 - 1.9525	1.8513	1.7652
-- Monterey Jack 10#	1.7150 - 1.9150	1.7150 - 1.9150	1.7150 - 1.9150	1.7150 - 1.9150	1.7150 - 1.9150	1.8150	1.7403
-- Grade A Swiss Cuts 6 - 9#	2.3375 - 2.5600	2.3375 - 2.5600	2.3375 - 2.5600	2.3375 - 2.5600	2.3375 - 2.5600	2.4488	2.4538

MONTHLY SUMMARY AND AVERAGES FOR JANUARY 1998 1/ - (UNLESS OTHERWISE NOTED, PRICES ARE DOLLARS PER POUND, CL/TL)

COMMODITY	REPORT NUMBER 53	REPORT NUMBER 1	REPORT NUMBER 2	REPORT NUMBER 3	REPORT NUMBER 4	1998	1997
	JAN 01 - 02	JAN 05 - 09	JAN 12 - 16	JAN 19 - 23	JAN 26 - 30	or Total	or Total
FLUID AND DRY PRODUCTS							
SPOT PRICES OF CLASS II CREAM (\$ per lb. butterfat)							
Delivered Equivalent:							
-- Northeast	1.3206 - 1.4591	1.3363 - 1.4560	1.3650 - 1.5080	1.4338 - 1.5194	1.6120 - 1.7360	1.4915	1.0786
-- Atlanta	1.3632 - 1.6025	1.3363 - 1.5838	1.3520 - 1.5838	1.3696 - 1.6116	1.5872 - 1.8826	1.5380	1.1501
-- Upper Midwest	1.4171 - 1.4910	1.4040 - 1.4560	1.4040 - 1.4872	1.4338 - 1.5301	1.6492 - 1.7112	1.5080	1.0954
SPOT PRICES OF CONDENSED SKIM (\$ per lb. wet solids)							
Delivered Equivalent:							
-- Northeast	1.0200 - 1.1300	1.0200 - 1.2500	1.0000 - 1.2500	1.0000 - 1.2500	1.0000 - 1.2500	1.1250	1.2277
WISCONSIN FLUID MILK SHIPMENTS							
-- Loads Shipped from Wisconsin							
Shipping Points	0	2	0	0	0	2	3
NATIONAL EVAPORATED MILK (\$ per Case)							
(Case - 48 - 12 fluid oz cans)							
-- Delivered Major U.S. Cities	22.5000 - 33.0000	22.5000 - 33.0000	22.5000 - 33.0000	22.5000 - 33.0000	22.5000 - 33.0000	27.7500	27.7500
NONEFAT DRY MILK							
-- Central (f.o.b.)							
-- Extra And Grade A	1.0400 - 1.1000	1.0300 - 1.1100	1.0300 - 1.0825	1.0300 - 1.0775	1.0300 - 1.0775	1.0593	1.1394
-- Mostly	1.0450 - 1.0600	1.0450 - 1.0600	1.0400 - 1.0525	1.0400 - 1.0500	1.0400 - 1.0500	1.0476	1.1324
-- West (f.o.b.)							
-- Low/Medium Heat	1.0200 - 1.0650	1.0200 - 1.0650	1.0200 - 1.0550	1.0200 - 1.0550	1.0200 - 1.0550	1.0390	1.1071
-- Mostly	1.0300 - 1.0400	1.0300 - 1.0400	1.0250 - 1.0350	1.0250 - 1.0350	1.0250 - 1.0350	1.0315	1.1010
-- High Heat	1.0500 - 1.0850	1.0500 - 1.0750	1.0500 - 1.0650	1.0500 - 1.0650	1.0500 - 1.0650	1.0593	1.1326
-- Northeast (f.o.b.)							
-- Extra & Grade A	1.0300 - 1.1400	1.0300 - 1.1200	1.0300 - 1.1200	1.0275 - 1.1200	1.0275 - 1.1200	1.0749	1.1836
-- Mostly	1.0500 - 1.0700	1.0300 - 1.0500	1.0400 - 1.0500	1.0300 - 1.0500	1.0300 - 1.0500	1.0423	N.A.
-- Southeast (Delvd)							
-- Extra & Grade A	1.0700 - 1.0850	1.0600 - 1.0850	1.0600 - 1.0850	1.0600 - 1.0850	1.0600 - 1.0850	1.0728	1.1915
WHEY POWDER (Nonhygroscopic)							
-- Central (f.o.b.)	0.3250 - 0.3375	0.2850 - 0.3375	0.2700 - 0.3275	0.2500 - 0.2750	0.2300 - 0.2700	0.2841	0.1920
-- Mostly	0.3300 - 0.3350	0.3100 - 0.3200	0.2900 - 0.3000	0.2500 - 0.2600	0.2400 - 0.2500	0.2814	0.1858
-- West (f.o.b.)	0.2750 - 0.3100	0.2300 - 0.3000	0.2150 - 0.2800	0.2150 - 0.2600	0.2100 - 0.2500	0.2478	0.1965
-- Mostly	0.2850 - 0.2950	0.2600 - 0.2900	0.2400 - 0.2600	0.2200 - 0.2400	0.2100 - 0.2300	0.2468	0.1942
-- Northeast Extra Grade (f.o.b.)	0.3175 - 0.3400	0.3175 - 0.3300	0.2600 - 0.3150	0.2400 - 0.2950	0.2400 - 0.2750	0.2871	0.1840
-- Northeast Usph Grade A(f.o.b.)	0.3475 - 0.3625	0.3250 - 0.3550	0.2800 - 0.3400	0.2400 - 0.3200	0.2500 - 0.2800	0.3025	0.1932
-- Southeast Extra Grade (Delvd)	0.3350 - 0.3675	0.3325 - 0.3500	0.3000 - 0.3450	0.2800 - 0.3300	0.2600 - 0.3050	0.3151	0.2089
WHEY PROTEIN CONCENTRATE							
-- Central And West (f.o.b.)							
-- Extra Grade 34% Protein	0.5775 - 0.6275	0.5775 - 0.6275	0.5775 - 0.6275	0.5775 - 0.6275	0.5775 - 0.6275	0.6025	0.5845
-- Mostly	0.6050 - 0.6100	0.6050 - 0.6100	0.6050 - 0.6100	0.6050 - 0.6100	0.6050 - 0.6100	0.6075	0.5883
ANIMAL FEED - WHEY							
-- Central (f.o.b.)							
-- Milk Replacer	0.2800 - 0.3225	0.2800 - 0.3225	0.2600 - 0.2850	0.2350 - 0.2600	0.2300 - 0.2450	0.2674	0.1693
-- Standard	0.2775 - 0.3125	0.2775 - 0.3125	0.2400 - 0.2800	0.2200 - 0.2400	0.2100 - 0.2300	0.2545	0.1618
-- Roller Ground	0.3000 - 0.3400	0.3000 - 0.3450	0.3000 - 0.3250	0.2900 - 0.3050	0.2900 - 0.3050	0.3086	0.1918
-- Delactose	0.3400 - 0.3675	0.3400 - 0.3675	0.3400 - 0.3675	0.3400 - 0.3675	0.3400 - 0.3675	0.3538	0.3533
-- Northeast (f.o.b.)							
-- Milk Replacer	TFEWR	TFEWR	TFEWR	TFEWR	TFEWR	TFEWR	TFEWR
BUTTERMILK (Min. 30% protein)							
-- Central (f.o.b.)	0.9350 - 0.9825	0.9300 - 0.9600	0.9200 - 0.9600	0.9200 - 0.9450	0.9200 - 0.9450	0.9388	0.9358
-- West (f.o.b.)	0.8300 - 0.9000	0.8300 - 0.9200	0.8500 - 0.9200	0.8500 - 0.9200	0.8700 - 0.9200	0.8840	0.9018
-- Mostly	0.8700 - 0.9000	0.8700 - 0.9000	0.8700 - 0.9000	0.8700 - 0.9000	0.8900 - 0.9150	0.8894	TFEWR
-- Northeast (f.o.b.)	0.9400 - 0.9800	0.9400 - 0.9800	0.9500 - 0.9800	0.9500 - 0.9800	0.9500 - 0.9800	0.9635	0.9519
-- Southeast (Delvd)	0.9200 - 0.9900	0.9200 - 0.9750	0.9200 - 0.9750	0.9200 - 0.9750	0.9200 - 0.9800	0.9485	0.9570
WHOLE MILK POWDER							
-- National							
-- F.O.B. Producing Plant	1.2500 - 1.3500	1.2500 - 1.3500	1.2500 - 1.3500	1.2500 - 1.3500	1.2500 - 1.3500	1.3000	1.2124
LACTOSE							
-- Central And West (f.o.b.)	0.1800 - 0.2600	0.1800 - 0.2600	0.1800 - 0.2600	0.1800 - 0.2600	0.1800 - 0.2600	0.2200	0.2321
-- Mostly	0.2100 - 0.2250	0.2100 - 0.2250	0.2100 - 0.2250	0.2100 - 0.2250	0.2100 - 0.2250	0.2175	0.2383
CASEIN - Edible - National (f.o.b.)							
-- Nonrestricted - Rennet	2.1700 - 2.2500	2.1700 - 2.2000	2.1700 - 2.2000	2.1700 - 2.2000	2.1700 - 2.2000	2.1863	2.4100
-- Nonrestricted - Acid	2.0000 - 2.1000	2.0000 - 2.1500	2.0000 - 2.1500	2.0000 - 2.1500	2.0000 - 2.1500	2.0738	2.2000

1/ Prices for all products not footnoted 2/ or 3/ are issued once a week and represent a value for the entire week. Monthly averages are based on weekly prices and are time-weighted according to the number of workdays in the month - Saturdays, Sundays and National Holidays excluded. No monthly average is computed if one or more weekly prices are missing. 2/ The monthly averages are simple averages of all the prices reported during the month and are shown on the Friday line. 3/ The monthly averages are based on the exchange trading date prices and are time-weighted for each day, starting with the exchange trading date, until the next exchange trading date - Saturdays, Sundays, and National Holidays are included.

**DEIP BID ACCEPTANCE**  
**JANUARY 1998**

ACCEPTANCE DATE	DESTINATION	QUANTITY (MT)	DEL. PERIOD	BONUS/MT
<b>NONFAT DRY MILK</b>				
JULY - DECEMBER 1997		79,909		
01/08	CARIBBEAN, CENT & S. AM	51	JAN-MAY	\$820
01/12	CARIBBEAN, CENT & S. AM	17	JAN-FEB	\$760
01/13	CARIBBEAN, CENT & S. AM	20	JAN-FEB	\$788
01/14	CARIBBEAN, CENT & S. AM	800	MAR-JUL	\$837
01/15	CARIBBEAN, CENT & S. AM	51	MAR-MAY	\$806
01/16	CARIBBEAN, CENT & S. AM	34	APR-AUG	\$830
01/20	CARIBBEAN, CENT & S. AM	20	JAN-FEB	\$790
01/22	CARIBBEAN, CENT & S. AM	17	JAN-FEB	\$805
01/23	CARIBBEAN, CENT & S. AM	105	FEB-MAR	\$850
01/27	CARIBBEAN, CENT & S. AM	236	JAN-MAY	\$833.12
01/28	CARIBBEAN, CENT & S. AM	500	APR-SEP	\$835
01/29	CARIBBEAN, CENT & S. AM	140	APR-AUG	\$849.29
01/30	CARIBBEAN, CENT & S. AM	423	FEB-AUG	\$835.25
JANUARY 1 - 30, 1998		<u>2,414</u>		
PROGRAM TO DATE		82,323		
<b>WHOLE MILK POWDER</b>				
JULY - DECEMBER 1997		5,878		
01/07	CARIBBEAN, CENT & S. AM	16	JAN-MAR	\$1,155
01/09	AFRICA, MIDDLE EAST & FSU	170	JAN-FEB	\$1,180
01/14	CARIBBEAN, CENT & S. AM	16	JAN-FEB	\$1,155
01/16	CARIBBEAN, CENT & S. AM	46	JAN-FEB	\$1,155
01/21	CARIBBEAN, CENT & S. AM	103	JAN-FEB	\$1,150
01/28	CARIBBEAN, CENT & S. AM	16	FEB	\$1,215
01/29	CARIBBEAN, CENT & S. AM	16	FEB-MAR	\$1,215
JANUARY 1 - 30, 1998		<u>383</u>		
PROGRAM TO DATE		6,261		

**DEIP BID ACCEPTANCE**  
**JANUARY 1998**

ACCEPTANCE DATE	DESTINATION	QUANTITY (MT)	DEL. PERIOD	BONUS/MT
<b>CHEESE</b>				
JULY - DECEMBER 1997		1,930		
01/02-M	AFRICA & MIDDLE EAST	110	JAN-JUN	\$1,090
01/13-P	CARIBBEAN, CENT & S. AM	336	FEB-SEP	\$710
01/21-M	AFRICA & MIDDLE EAST	176	JAN-JUN	\$1,190
01/23-P	CARIBBEAN, CENT & S. AM	19	JAN-MAY	\$810
JANUARY 1 - 30, 1998		<u>641</u>		
PROGRAM TO DATE		2,571		
C-CHEDDAR, G-GOUDA, M-MOZZARELLA, P-PROCESSED AMERICAN CHEESE, CC-CREAM CHEESE				
<b>BUTTEROIL/ANHYDROUS MILKFAT</b>				
JULY - DECEMBER 1997		15,306*		
01/08-B	CARIBBEAN, CENT & S. AM	18	JAN-FEB	\$871
01/12-B	ASIA & FSU	18	JAN-JUN	\$915
01/14-B	ASIA & FSU	19	JAN-JUN	\$915
01/14-B	CARIBBEAN, CENT & S. AM	18	JAN-FEB	\$850
01/16-B	ASIA & FSU	52	JAN-JUN	\$915
01/20-B	ASIA & FSU	20	JAN-MAR	\$900
01/20-A	CARIBBEAN, CENT & S. AM	46	JAN-FEB	\$1,636
01/21-A	CARIBBEAN, CENT & S. AM	46	JAN-FEB	\$1,636
JANUARY 1 - 30, 1998		<u>261*</u>		
PROGRAM TO DATE		15,567*		
A.-ANHYDROUS, O-BUTTEROIL, B-BUTTER				
*TOTALS DO NOT ADD DUE TO CONVERSION OF ANHYDROUS /BUTTEROIL TO BUTTER EQUIVALENT				
PROGRAM-TO-DATE				
TOTAL MT				106,722
TOTAL BONUS VALUE				\$95,587,000

Exporters of U.S. milk powder, butterfat and cheddar cheese are aided under the Dairy Export Incentive Program (DEIP), created by Food Security Act of 1985 and extended by the Food, Agriculture, Conservation, and Trade Act of 1990. Export sales are facilitated through payment of bonuses by the U.S. Department of Agriculture's Commodity Credit Corporation. Sales of dairy products will be made through normal commercial channels at competitive world prices. For further information call L.T. McElvain, (202) 720-6211. Conversion: 1 metric ton (MT) = 2,204.6 pounds.

July 1, 1997 started a one year program for the DEIP allocations. Refer to Volume 64 report 27 pages 13 & 14 for country qualifications.

**SOURCE: FOREIGN AGRICULTURAL SERVICE**

## DECEMBER 1997 DAIRY PRODUCTS HIGHLIGHTS

**BUTTER** production was 116.3 million pounds in December, 4.5 percent above December 1996 and 31.1 percent above November 1997. **AMERICAN TYPE CHEESE** production totaled 277.2 million pounds, 1.1 percent below December 1996 but 10.2 percent above November 1997. **TOTAL CHEESE** output (excluding cottage cheese) was 629.2 million pounds, 0.9 percent above December 1996 and 4.5 percent above November 1997. **NONFAT DRY MILK** production, for human food, totaled 101.7 million pounds, 0.1 percent above December 1996 and 36.2 percent above November 1997. **DRY WHEY** production, for human food, was 98.0 million pounds, 16.9 percent above December 1996 and 17.0 percent above November 1997. **ICE CREAM** (hard) production totaled 53.6 million gallons, 0.8 percent above December 1996 but 0.8 percent below November 1997.

PRODUCTION OF DAIRY PRODUCTS									
PRODUCT	DEC 1997	PERCENT CHANGE FROM:			PRODUCT	DEC 1997	PERCENT CHANGE FROM:		
	1,000 LBS.	DEC 1996	NOV 1997	YEAR TO DATE 1/		1,000 LBS.	DEC 1996	NOV 1997	YEAR TO DATE 1/
BUTTER	116,284	4.5	31.1	-1.3	DRY BUTTERMILK	4,826	8.3	22.4	---
CHEESE					YOGURT (PLAIN AND FLAVORED)	112,575	-1.3	1.1	---
AMERICAN TYPES 2/	* 277,175	-1.1	10.2	0.1	CONDENSED WHEY, SOLIDS CONTENT 8/				
CHEDDAR	221,734	2.6	13.0	2.9	SWEET-TYPE, HUMAN FOOD	5,488	-31.4	79.1	---
SWISS	18,545	4.5	15.9	---	SWEET-TYPE, ANIMAL FEED	2,263	6.2	26.5	---
BRICK & MUENSTER	9,242	-7.1	9.7	---	DRY WHEY PRODUCTS				
CREAM & NEUFCHATEL	53,273	2.2	-14.0	---	DRY WHEY, HUMAN FOOD	97,951	16.9	17.0	---
BLUE	3,296	-11.4	-28.1	---	DRY WHEY, ANIMAL FEED	5,923	14.6	58.0	---
HISPANIC	6,099	9.8	14.8	---	REDUCED LACTOSE AND MINERALS				
MOZZARELLA	191,450	-1.2	3.5	1.1	HUMAN FOOD	4,951	-23.0	11.8	---
OTHER ITALIAN TYPES	59,098	15.6	1.2	13.1	TOTAL DRY WHEY	103,874	16.7	18.8	2.4
TOTAL ITALIAN TYPES	250,548	2.3	3.0	3.5	LACTOSE, HUMAN FOOD & ANIMAL FEED	34,086	-2.4	11.6	---
ALL OTHER TYPES 3/	11,034	16.1	-0.3	---	WHEY PROTEIN CONCENTRATE				
TOTAL	629,212	0.9	4.5	1.9	HUMAN FOOD	25,425	13.1	11.8	---
COTTAGE CHEESE, CURD 4/	34,797	1.7	1.7	---	ANIMAL FEED	3,393	8.3	8.8	---
COTTAGE CHEESE, CREAMED 5/	27,828	3.1	0.2	-0.3	FROZEN PRODUCTS			1,000 GALLONS	PERCENT
COTTAGE CHEESE, LOWFAT 6/	25,642	6.7	-4.4	4.6	ICE CREAM (HARD)	53,554	0.8	-0.8	1.0
CANNED EVAPORATED & CONDENSED					ICE CREAM, LOWFAT (HARD)	6,275	-3.7	-10.6	---
WHOLE MILK	45,993	3.0	-14.6	---	ICE CREAM, LOWFAT (SOFT)	15,887	7.2	9.9	---
DRY WHOLE MILK	12,210	-7.0	45.8	---	ICE CREAM, LOWFAT (TOTAL)	22,162	3.9	3.2	-4.4
NONFAT DRY MILK, HUMAN FOOD	7/ 101,650	0.1	36.2	13.7	SHERBET (HARD)	2,991	-2.9	4.2	-3.2
					YOGURT	4,827	-27.7	-19.4	-21.4

## MANUFACTURERS' STOCKS, END OF MONTH 9/

PRODUCT	DEC 1997	PERCENT OF:		PRODUCT	DEC 1997	PERCENT OF:	
	1,000 LBS.	DEC 1996	NOV 1997		1,000 LBS.	DEC 1996	NOV 1997
DRY WHEY PRODUCTS				WHEY PROTEIN CONCENTRATE			
DRY WHEY, HUMAN FOOD	32,489	4.2	18.3	HUMAN FOOD	11,451	12.2	31.0
DRY WHEY, ANIMAL FEED	2,015	-32.9	-15.9	ANIMAL FEED	929	42.5	-26.7
REDUCED LACTOSE & MINERALS--HUMAN & ANIMAL 10/	9,075	46.3	4.3	CANNED EVAPORATED & CONDENSED WHOLE MILK	22,182	13.8	11.4
LACTOSE, HUMAN FOOD & ANIMAL FEED	20,927	23.4	10.1	DRY WHOLE MILK	5,605	-12.7	41.3
DRY BUTTERMILK, TOTAL	3,569	-12.4	12.7	NONFAT DRY MILK FOR HUMAN FOOD	103,326	45.3	8.4
				DRY SKIM MILK FOR ANIMAL FEED	791	-18.2	-2.0

1/ 1997 cumulative as percent of 1996 cumulative. 2/ Whole milk cheese, including Cheddar, colby, washed curd, stirred curd, monterey and jack. 3/ Does not include Part Skim cheese beginning January 1996 or Hispanic cheese beginning June 1996. 4/ Mostly used for processing into creamed or lowfat cottage cheese. 5/ Fat content 4 percent or more. 6/ Fat content less than 4 percent. 7/ Includes combined Minnesota and Wisconsin production of 1,726,000 lbs. 8/ Final marketable product only. Does not include quantity used or shipped to another plant for further processing into dry whey or modified whey products. 9/ Stocks held by manufacturers at all points and in transit. 10/ Reduced lactose and minerals stocks combined to avoid disclosure of individual operations. \*Includes combined Minnesota and Wisconsin production of 122,253,000 lbs.

SOURCE: "Dairy Products," Da 2-6 (2-98), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

## JANUARY AGRICULTURAL PRICES HIGHLIGHTS

The index of prices paid by farmers for commodities and services, interest, taxes, and wage rates in January 1998 was unchanged at 116. Compared with January 1997, the index was unchanged. The index of prices received by farmers for dairy products was unchanged during the month of January 1998 at 112. Compared with January 1997, the index was up 9 points (8.7 percent).

On a 3.5 percent butterfat basis, prices received by farmers in January with changes from December were: for All Milk, \$14.27 per hundredweight (cwt.), up 4 cents; for Fluid Grade Milk, \$14.37 per cwt., up 4 cents; and for Manufacturing Grade Milk, \$13.04 per cwt., up 8 cent.

## SELECTED MILK PRICES, COWS AND DAIRY FEED PRICES, SELECTED STATES AND U.S., JANUARY 1998 WITH COMPARISONS

STATE	All-milk price <u>1/</u> <u>3/</u>				Milk cows <u>5/</u>		Cows <u>6/</u>		All hay baled <u>7/</u>	
	Dollars per cwt.		Dollars per cwt.		Dollars per head		Dollars per cwt.		Dollars per ton	
	DECEMBER		JANUARY		JANUARY		JANUARY		JANUARY	
	1997	1996 <u>2/</u>	1998 <u>4/</u>	1997 <u>2/</u>	1998	1997	1998 <u>7/</u>	1997 <u>8/</u>	1998	1997
CA	13.13	12.85	13.14	12.42	1,220	1,230	32.50	28.00	121.00	118.00
ID	13.16	13.56	13.05	12.25	1,100	1,120	30.60	31.90	105.00	92.00
MI	14.35	14.61	14.59	13.59	1,080	1,090	36.00	30.90	108.00	132.00
MN	14.54	12.87	14.75	13.01	990	1,010	35.00	29.80	89.00	86.00
NY	14.28	14.32	14.32	13.02	980	1,000	---	---	101.00	89.00
OH	14.36	14.49	14.40	13.17	1,030	1,030	30.00	28.30	133.00	166.00
PA	15.26	15.32	15.20	13.72	1,030	1,100	33.00	31.30	148.00	127.00
TX	15.13	14.79	15.06	13.77	1,070	1,100	31.90	30.70	66.00	84.00
WA	13.97	13.50	14.00	12.72	1,150	1,200	---	---	121.00	116.00
WI	14.42	12.91	14.32	13.06	1,030	1,060	34.70	32.10	97.00	99.00
U.S.	14.23	14.11	14.27	13.19	1,070	1,090	34.00	30.00	98.10	99.70

1/ Prices converted to 3.5 percent butterfat. 2/ Partially revised. 3/ Before deductions for hauling. Includes quality, quantity, and other premiums. Excludes hauling subsidies. 4/ Preliminary. 5/ Animals sold for dairy herd replacement only. 6/ Beef cows and cull dairy cows sold for slaughter. 7/ Mid-month price. 8/ Entire month.

MILK AND PARITY PRICE RELATIONSHIPS AND OTHER GENERAL PRICE MEASURES, U.S., JANUARY 1998 WITH COMPARISONS 1/

ITEM	JANUARY 1997	DECEMBER 1997 <u>2/</u>	JANUARY 1998 <u>3/</u>
<b>PRICES</b> (converted to 3.5 percent butterfat) received by farmers for:			
All milk Dol. per cwt.	13.19	14.23	14.27
Fluid grade milk Dol. per cwt.	13.19	14.33	14.37
Manufacturing grade milk Dol. per cwt.	11.77	12.96	13.04
<b>INDEX NUMBERS</b> for:			
Prices received by farmers for dairy products (1990-92 = 100) Index	103	112	112
Prices paid by farmers for commodities and services, interest taxes, and wage rates (1990-92=100) Index	116	116	116
<b>PARITY PRICE</b> for all milk Dol. per cwt.	29.20	29.50	29.30
<b>PARITY EQUIVALENT</b> price for manufacturing grade milk Dol. per cwt.	26.51	26.79	26.63
<b>MILK FEED PRICE RATIO:</b> Pounds of concentrate ration fed to milk cows equal in value to one pound of milk <u>4/</u>	1.52	1.72	1.72

1/ Parity prices are based on data for the current month. Parity price equivalent during 1998 is 90.9% of the parity price of all milk sold to plants, compared with 90.8 percent in 1997. 2/ Partially revised. 3/ Preliminary. 4/ Computed by Dairy Division, AMS, USDA; based on concentrate ration value as reported quarterly in "Milk Production", NASS, USDA.

**SOURCE:** "Agricultural Prices," Pr 1 (1/98), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

\*Includes both pre and post 1/1/98 powder.

MILK EQUIVALENT, MILKFAT AND SKIM SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT*	SKIM**		MILKFAT*	SKIM**
	<u>BASIS</u>	<u>SOLIDS</u>		<u>BASIS</u>	<u>SOLIDS</u>
WEEK OF FEBRUARY 2 - 6, 1998 =	0.8	44.3	COMPARABLE WEEK IN 1997 =	0.0	0.0
CUMULATIVE SINCE OCTOBER 1, 1997 =	5.6	296.8	CUMULATIVE SAME PERIOD LAST YEAR =	0.0	0.0
CUMULATIVE JANAUARY 1 - FEBRUARY 6, 1998 =	3.9	205.4	COMPARABLE CALENDAR YEAR 1997 =	0.0	0.0

\* Factors used for Milkfat Solids Basis: Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

\*\*Factors used for Skim Solids Basis: Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES SINCE 10/1/97 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT	
REGION	1997/98	1996/97	1997/98	1996/97	1997/98	1996/97	1997/98	1996/97
MIDWEST	-0-	-0-	-0-	-0-	-0-	-0-	0.0	0.0
WEST	-0-	-0-	-0-	-0-	25,391,564	-0-	99.6	0.0
EAST	-0-	-0-	-0-	-0-	110,175	-0-	0.4	0.0
TOTAL	-0-	-0-	-0-	-0-	25,501,739	-0-	100.0	0.0

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER JANUARY 1, 1998

MANUFACTURING MILK: Average Test 3.67% - \$10.05 per cwt.; 3.5% - \$9.95

DOLLARS PER POUND

BUTTER: Bulk \$.6500; 1# Prints \$.6800

CHEESE: 40 & 60# Blocks \$1.1150; 500# Barrels \$1.0850; Process American 5# \$1.1675; Process American 2# \$1.2075

NONFAT DRY MILK: Nonfortified \$1.0280; Fortified \$1.0380; Instant \$1.1855

Dairy Cow & Total Cow Slaughter under Federal Inspection, by Regions & U.S., for Week Ending 01/17/98 & Comparable Week 1997 (1/ 2/)

[illegible]

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

1/ States included in regions are as follows: Region 1--ME, NH, VT, CT, MA, and RI; Region 2--NY and NJ; Region 3--DE, PA, WV, VA, and MD; Region 4--KY, TN, NC, SC, GA, AL, MS, and FL; Region 5--MI, OH, IN, IL, WI, and MN; Region 6--TX, OK, NM, AR, and LA; Region 7--IA, NE, KS, and MO; Region 8--MT, WY, CO, UT, ND, and SD; Region 9--CA, NV, AZ, and HI; Region 10--ID, OR, and WA. 2/ Totals may not add due to rounding.

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

## CCC MARKET PRICE PURCHASES (POUNDS) 01/23/98

CUMULATIVE TOTAL CHEESE PURCHASES SINCE 10/1/97 = 37,655,775

CUMULATIVE TOTAL NDM PURCHASES SINCE 10/1/97 = 85,979

## BASIC FORMULA PRICE (BFP), MAY 1995\* TO DATE &amp; HISTORIC M-W (3.5% BF, \$/CWT.)

[illegible]